

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
September 14, 2006 – 9:00 AM
J. NEWTON COHEN, SR. ROOM, ADMINISTRATION BUILDING**

Present: Arnold S. Chamberlain, Chairman
Jim Sides, Vice-Chairman
Steve Blount, Member
Chad Mitchell, Member

Absent: Frank Tadlock, Member

County Manager William Cowan, Clerk to the Board Carolyn Athey and Finance Director Leslie Heidrick were present. County Attorney Jay Dees was absent.

Chairman Chamberlain convened the meeting at 9:00 am.

Chairman Chamberlain mentioned that County Attorney Jay Dees was absent but that he was fine. Chairman Chamberlain pointed out that Commissioner Tadlock was absent and he asked for continued prayers for Commissioner Tadlock and his family.

Commissioner Mitchell provided the Invocation and also led the Pledge of Allegiance.

ADDITIONS/DELETIONS TO THE AGENDA

County Manager William Cowan requested to add an item from the Rowan-Salisbury School System regarding construction administration.

Commissioner Mitchell moved, Commissioner Blount seconded and the vote to add the request to the agenda passed unanimously (4-0). Chairman Chamberlain added the issue as agenda item #7.

APPROVAL OF THE AGENDA

Commissioner Sides moved for approval of the agenda. Commissioner Blount seconded and the motion carried unanimously (4-0).

APPROVAL OF THE MINUTES

Commissioner Blount moved, Commissioner Mitchell seconded and the vote to approve the minutes of the August 21, 2006 Commission meeting passed unanimously (4-0).

1. CONSIDERATION OF THE CONSENT AGENDA

Commissioner Mitchell moved to approve the Consent Agenda. Commissioner Blount seconded and the motion passed unanimously (4-0).

The Consent Agenda consisted of the following items:

- A. Approval of Proclamation Recognizing Mental Illness Awareness Week
- B. Approval of Additions to Client Fee Schedule & Approval of Dental Fees for FY 2006-07
- C. Approval of Salary Increase for Soil & Water Conservation Position
- D. Set Quasi-Judicial Public Hearing for PCUR 03-06 for October 2, 2006
- E. Set Public Hearing for Z 05-06 for October 2, 2006
- F. Set Public Hearing for Majority Petition for Proposed Road Name of Rolling Acres Drive for October 2, 2006
- G. Approval of Request to Hire Second Codes Enforcement Officer

2. WAIVER OF COMPETITIVE BIDDING & APPROVAL OF RESOLUTION TO PIGGYBACK OFF CONTRACT FROM WAKE COUNTY FOR DODGE CHARGERS FOR RCSD

Sandy Fisher of the Rowan County Finance Department explained that a notice for waiver of competitive bidding was advertised in the Salisbury Post for the purchase of (9) Dodge Charger Police Interceptors from Ilderton Dodge Chrysler Jeep in High Point, NC.

The Finance Department and the Rowan County Sheriff's Department recommended piggybacking off a contract awarded by Wake County for a cost of \$20,163.00 per vehicle.

Commissioner Blount moved, Commissioner Sides seconded and the vote to approve the waiver of competitive bidding and the Resolution as presented passed unanimously (4-0).

3. PRESENTATION REGARDING THE PROPOSED SELF-FINANCING BONDS FOR THE NORTH CAROLINA RESEARCH CAMPUS

Kannapolis City Manager Mike Legg presented an update on the proposed self-financing bonds for the North Carolina Research Campus (NCRC). Mr. Legg said the campus would be funded in large part by David H. Murdock, sole owner of both Castle & Cooke, Inc. and Dole Food Company, Inc.

Mr. Legg provided a power point presentation as he introduced the project, campus specifics, vertical construction and infrastructure plan. The total infrastructure costs were estimated at \$352 million.

Mr. Legg said the project had received more than \$2 million in grant funds and that other funding sources would be pursued. Mr. Legg said Castle and Cooke had made it clear that they wanted to create a public-private partnership and had not asked for incentives. Mr. Legg pointed out that the citizens of both Cabarrus and Rowan County would see tremendous public benefits from the project through jobs, new parks, beautification, stream restoration, greenways and entertainment options.

Mr. Legg provided the background for the bonds, explaining that in November of 2004, the North Carolina voters had approved a constitutional amendment allowing local governments to issue “self-financing” bonds. The bonds can be used for roads, utilities and other infrastructure.

Mr. Legg discussed the bond district and also showed a map of the district.

Mr. Legg addressed several questions that he said were most often asked regarding the project:

- *How much incremental tax revenue will the City and the County earn from the project?* Mr. Legg said a conservative estimate for Castle & Cooke’s investment over the life of the project was approximately \$260 million. The estimate was for 20 years or through 2028. Mr. Legg said the estimate of new tax revenues between the City and Cabarrus County was approximately \$2.6 million at build-out.
- *Will there be sufficient tax revenues to repay the bonds?* The Local Government Commission will require somewhat conservative assumptions in structuring the bond issue. Mr. Legg said the City’s financial advisors had recommended using a minimum 2X debt service coverage ratio in sizing the issues unless other credit enhancements are included. Mr. Legg said the likely term of the debt would be 20 years although 30 years is permitted and such a term would be considered.
- *Will the City or County need to increase tax rates to repay the bonds?* Mr. Legg said the tax rate would not be increased as a result of the project.
- *What if something goes wrong with the development of the project and there are not enough revenues to repay the bonds?* First, the City and Cabarrus County’s incremental tax revenues from the project will be used to repay debt service. Secondly, Castle & Cooke will guarantee payment of the debt service through a minimum tax payment agreement. The taxes are due whether the anticipated improvements are developed or not. Thirdly, there would likely be a bank letter of credit paid for by Castle & Cooke that will be available to pay the debt

service on the bonds if Castle & Cooke defaults on their minimum tax payment agreement. Mr. Legg added that there could be other pledged revenues of the City and Cabarrus County.

- *What will be the terms of the Inter-local Agreement?* Mr. Legg said the terms of the Inter-local agreement will be set by the City and Cabarrus County and the terms would match the term of the bonds. Mr. Legg said both the City and Cabarrus County would pledge ½ of the annual debt service on the bonds from the incremental revenues. After the debt service payments are made and any reserve funds are funded, all excess payments will be returned to the City and Cabarrus County general funds.

Mr. Legg reviewed a summary of commitments from the City and Cabarrus County.

Mr. Legg highlighted the steps for the project and said the goal is to have the Local Government Commission approval by December 31, 2006.

Chairman Chamberlain asked if the buildings to be built in connection with NCRC would be taxable. Mr. Legg said, “everything you see on there will be taxable” and he explained that Mr. Murdock planned to donate some of the buildings at the end of the bonds to the universities. Mr. Legg said during the life of the bonds there would be a lease arrangement and the buildings would be owned by Castle & Cooke. The Universities would pay lease rates, which would be taxable.

In response to an additional query from Chairman Chamberlain, Mr. Legg said that if something were to happen to Mr. Murdock, there was a long list of partners to maintain the project.

Commissioner Blount inquired about population growth projections and Mr. Legg said an impact study was being done on the region and that the study should be ready in draft form in approximately 2 weeks. Commissioner Blount asked Mr. Legg to send the study to the Commissioners in electronic form.

Commissioner Blount questioned the interbasin transfer issue and he asked how the population growth would be accommodated if the interbasin transfer was rejected. Mr. Legg said he had no answer or plan for this critically important issue.

Commissioner Blount asked if the City intended to ask Rowan County to participate financially in the project. Mr. Legg said Rowan County had not been asked due to the unknowns of potential increase and that it was difficult to ask Rowan County to pledge funds when it was unknown what would happen in the district to the north of Kannapolis.

Commissioner Blount raised the issue of tax incentives and Mr. Legg said there would be no tax incentives offered in this project in any shape or form.

Commissioner Blount again referred to population growth and asked if Kannapolis intended to follow up with a land use plan. Mr. Legg said yes and that the studies being performed would also reveal how to maximize and make the project come to fruition.

Commissioner Mitchell questioned the bond sale and Mr. Legg said Kannapolis would only issue bonds in the amount that the LGC would approve.

In response to a query from Commissioner Sides, Mr. Legg said he hoped to have a final number to present to the LGC in approximately 3 weeks. Mr. Legg also estimated the bond issue would be for 20 years even though 30 years was an option.

Commissioner Sides questioned Mr. Legg regarding the difference between self-financing and tax increment financing and Mr. Legg said there was no difference. Commissioner Sides provided several additional comments regarding the tax increment districts. Commissioner Sides asked if Kannapolis could establish the TIF district without Rowan County's approval. Mr. Legg responded no and he said that the County would receive a letter shortly concerning the issue.

Commissioner Sides asked Mr. Legg if he could foresee any property in the district being taken by eminent domain. Mr. Legg responded that easements would have to be acquired for road widening, etc. but that it was not part of the plan to take anyone's property.

With no further questions from the Board, Chairman Chamberlain thanked Mr. Legg for the presentation.

4. AUTHORIZATION TO BID CORPORATE HANGAR AREA SITE WORK

Carl Ellington from the engineering firm of Talbert & Bright provided a brief overview of the project design for the corporate hangar area. Mr. Ellington provided maps as he pointed out the location of project, saying the design was necessary to provide for more hangar space and future development.

Mr. Ellington said the project total was approximately \$400,000, with 90% of the funds coming from federal/state funds and approximately 10%, or \$40,000, from County funds.

Finance Director Leslie Heidrick said the grant funds are already budgeted.

Mr. Ellington requested the Board's guidance on proceeding with the bidding and construction of the project.

Commissioner Blount moved to authorize Talbert and Bright to put the project out for bid. The motion was seconded by Commissioner Mitchell and passed unanimously (4-0).

5. DISCUSSION REGARDING ZTA 01-06 / SET PUBLIC HEARING FOR ZTA 01-06

Planning Manager Ed Muire provided the Staff Report concerning the proposed amendments to the Manufactured Home Storage Ordinance. Mr. Muire said the ordinance was adopted by the Board in 2000 to assist the County in removing manufactured homes that are determined to be a nuisance and to provide a process for their removal. Mr. Muire estimated that approximately 40 to 50 homes had been removed as a response to investigations by Staff, with very few requiring a lien to be placed on the property.

Mr. Muire said Staff hoped to remove some of the Commissioners responsibilities regarding appeals, etc.

Mr. Muire highlighted the proposed changes that were provided in the Board's agenda packet, a copy of which is attached to these minutes.

Commissioner Mitchell referred to page 7 and asked if the language would be a suitable replacement for the language added on page 3, lines 17 through 22. Mr. Muire said yes. Mr. Muire said from an administration standpoint, he felt the "category 1 home already takes care of this." Mr. Muire said the Board might wish to hear the County Attorney's view on the issue when the public hearing is conducted.

In response to a query from Commissioner Mitchell, Mr. Muire explained the difference in the notice of violation on page 4, line 24 as opposed to page 5, line 12. Mr. Muire said a citizen was basically given 67 days before a warning citation was issued.

Chairman Chamberlain asked Mr. Muire if there was anything in the proposed text that he wished was not listed. Mr. Muire responded by saying the reasonable residential accessory uses opened the door at the administrative level as to whether or not it is reasonable. Chairman Chamberlain said he agreed and that he would like to see the Board consider eliminating that text.

Mr. Muire pointed out that when the public hearings for text amendments are advertised, it is noted that significant changes can occur between the time of the notice and the public hearing. Mr. Muire also pointed out that the ordinance is not part of the zoning text and is not enforced in any municipality's extra-territorial jurisdiction.

Commissioner Blount referred to those who are forced to dispose of their mobile homes and are allowed to do so at the landfill at no charge. Commissioner

Blount suggested checking with the County Attorney as to whether it was discriminating to provide the free mobile home disposal to “some” and not to all.

Commissioner Mitchell moved, Commissioner Blount seconded and the motion to set the public hearing for ZTA 01-06 for October 2, 2006 passed unanimously (4-0).

6. CONSIDER EMPLOYMENT OF ARCHITECTURAL FIRM FOR NEW EMS BUILDING (TABLED FROM AUGUST 21, 2006 MEETING)

Emergency Services Director Frank Thomason and Sandy Fisher from the Finance Department were present to discuss the architectural firm interview results for the central Salisbury EMS station building project.

County Manager William Cowan explained that the General Statutes require the employment of a design team to assist with any project in excess of \$100,000. Mr. Cowan said the RFP process was also required. Mr. Cowan said the recommendation was for KKA Architecture to assist the County.

Mr. Thomason reported that there were 4 firms that responded to the RFP and that 3 of the 4 were recommended by a committee that had reviewed the proposals. The 3 firms recommended were:

- KKA Architecture, \$75,300
- Mullins-Sherman, \$48,750
- Stewart, Cooper, ET AL, \$80,000

Commissioner Blount moved to allow the County Manager to negotiate and enter into a final contract for the design services. The motion was seconded by Chairman Chamberlain with the understanding that the County Manager was to negotiate the contract and bring the negotiated agreement back to the Board for approval. The motion passed unanimously (4-0).

ADDITION

Jim Christy, Assistant Superintendent of the Rowan-Salisbury Schools (RSS) explained that the contract for services with Construction Control Services (CCC) had ended on August 31, 2006. Mr. Christy said CCC had extended Bill Hill’s time through the end of September to assist in closing out several of the construction projects.

Mr. Christy said RSS would like to contract with Mr. Hill due to his familiarity with the projects. Mr. Christy asked the Board to approve a contract with Mr. Hill for four months, at \$5,000 per month, and a \$500 travel allowance. Mr. Christy said the contract would be re-evaluated in January 2007. Mr. Christy said there was approximately \$355,000 budgeted with \$286,000 obligated for architects, leaving a surplus of approximately \$69,000.

In response to a query from Commissioner Sides, Mr. Christy explained that Mr. Hill lived in Winston-Salem and the travel allowance was a flat fee for Mr. Hill's travel to the sites each day.

Commissioner Blount moved to approve the request. Chairman Chamberlain seconded the motion.

Commissioner Sides said he would support the contract without the travel allowance.

Upon being put to a vote, the motion on the floor passed 3-1 with Commissioner Sides dissenting.

7. BOARD APPOINTMENTS

ROWAN COUNTY TOURISM DEVELOPMENT AUTHORITY

The Rowan County Tourism Development Authority recommends the appointment of James Cowden and Daniel Peters to fill at-large vacancies. The terms would be for 2 years, from September 2006 to August 31, 2008.

Commissioner Mitchell nominated Mr. Cowden and Mr. Peters. The nomination passed unanimously (4-0).

LOCKE FIRE DEPARTMENT COMMISSIONER

Locke Fire Department has submitted the name of Robert Himes as a Fire Commissioner. Mr. Himes would replace David Miller. The term would begin October 1, 2006, expiring on September 30, 2009.

Commissioner Blount nominated Mr. Himes and the nomination passed unanimously (4-0).

JUVENILE CRIME PREVENTION COUNCIL

Lisa Kraft has submitted an application to serve in an at-large position. The term would begin on October 1, 2006 and would expire on June 30, 2008.

Commissioner Blount nominated Ms. Kraft and the nomination passed unanimously (4-0).

8. BUDGET AMENDMENTS

Commissioner Blount questioned the \$25,000 Alcoa grant for the Rowan County Sheriff's Department and Ms. Heidrick said the department planned to purchase a boat. Commissioner Blount said he was curious as to what type of boat would be purchased and he asked Ms. Heidrick to let the Board know when she found out.

Commissioner Mitchell moved, Commissioner Blount seconded and the vote to approve the budget amendments passed unanimously (4-0).

9. PUBLIC COMMENT PERIOD

Chairman Chamberlain opened the Public Comment Period and the following citizen addressed the Board:

- Phyllis Sides of Salisbury referred to the mobile home ordinance and asked for an explanation regarding a lien being placed on a citizen's property.

Commissioner Blount explained that a lien is an encumbrance on the title to the property and that when the owner wishes to sell the property, the County must be paid first. Commissioner Blount said the cost of the lien is whatever it costs the County to move the mobile home and clean up the property.

With no additional citizens wishing to address the Board, Chairman Chamberlain closed the Public Comment Period.

10. ADJOURNMENT

With no further business to come before the Board, Commissioner Mitchell moved to adjourn at 10:48 am. The motion was seconded by Commissioner Blount and passed unanimously.

Respectfully Submitted,

Carolyn Athey
Clerk to the Board